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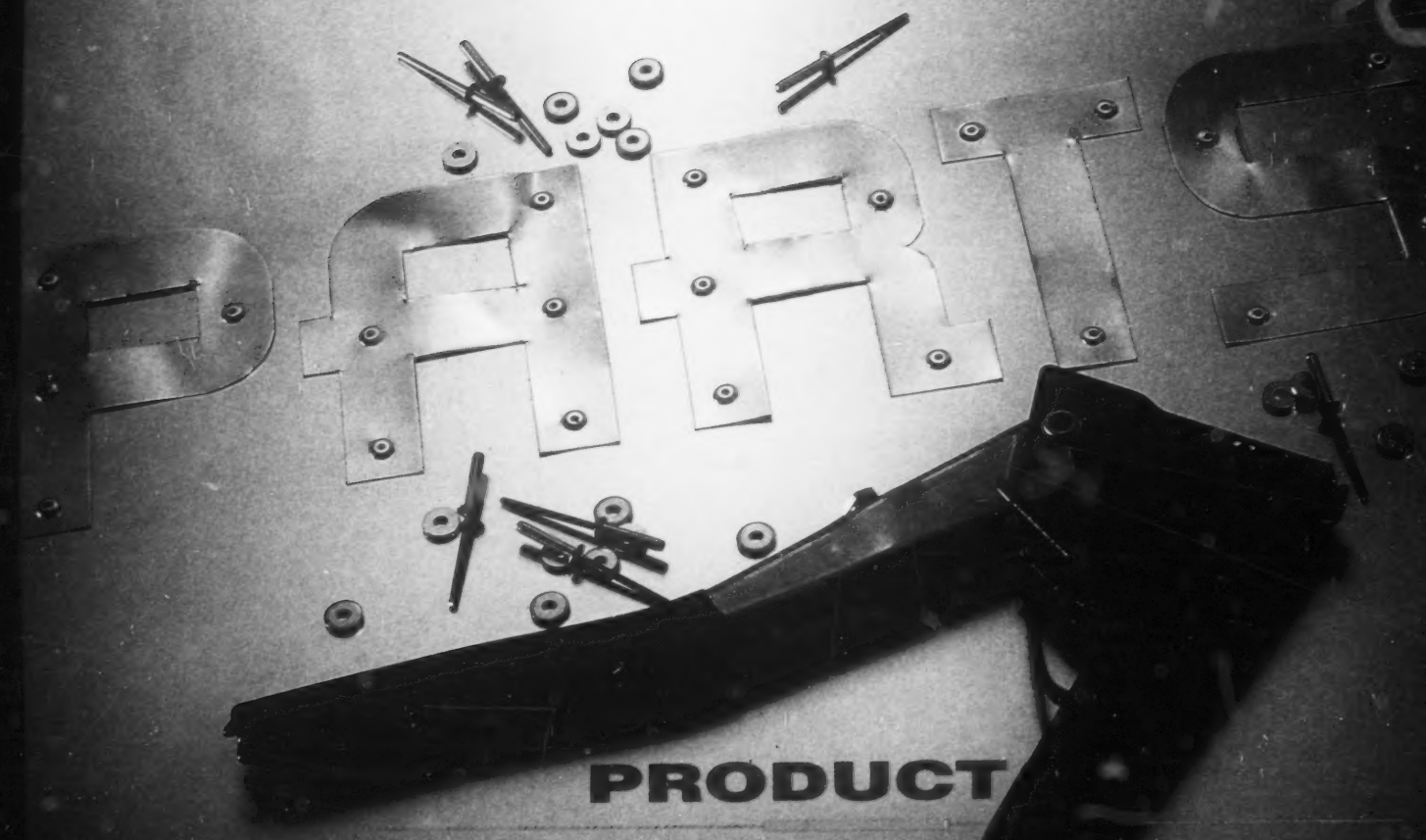

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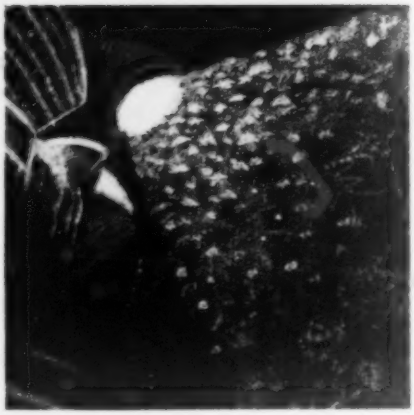

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JESSE H. NEAL AWARD-WINNING PUBLICATION FIVE OUT OF EIGHT YEARS

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MARKET LINE

COMMODITIES

Steady Growth Seen For Major Parts, Chemical Sales

A new Frost & Sullivan Inc., New York, study, *The U.S. Automotive Aftermarket For Merchandised Products And Services*, projects steady growth for major DIY parts and chemical categories through 1995.

Leaving aside sales of gasoline, which come to about $117 billion, the Frost & Sullivan model of aftermarket retail sales breaks down like this:

- Merchandised Products: $38.46 billion
- Services (parts/labor): $89.54 billion,

which makes the total aftermarket $128 billion at retail. According to Frost & Sullivan projections, the total market will reach roughly $156.5 billion by 1995.

Merchandised products, which account for about a third of the total market, are all basically commodities and share common characteristics: high DIY sales, much advertisement and promotion, widespread distribution, and many depend on the consumer to determine when replacement is necessary.

In addition to these characterisitics, the study finds that these products fly in the face of common aftermarket opinion that DIY sales will decline.

The study says that, "while there is evidence that points to this decline, it appears that because of the ease of installation of merchandised products, they are less affected by this trend than other replacement parts, particularly brakes, ride control, and exhaust. The oil change, for example, is still a relatively easy operation and much less expensive than paying someone at a quick lube. Indeed, many DIYers look upon many of the activities associated with merchandised products as the last bastion untouched by the ravages of automotive technology."

This supports the conclusions and comments from suppliers reached in many of our commodities pieces written over the past three years. For example, in covering oil changes and filter replacement last year, we found: "Every supplier expects a decline in the DIY market. The only debate is whether the decline will be severe or only slight in years to come.

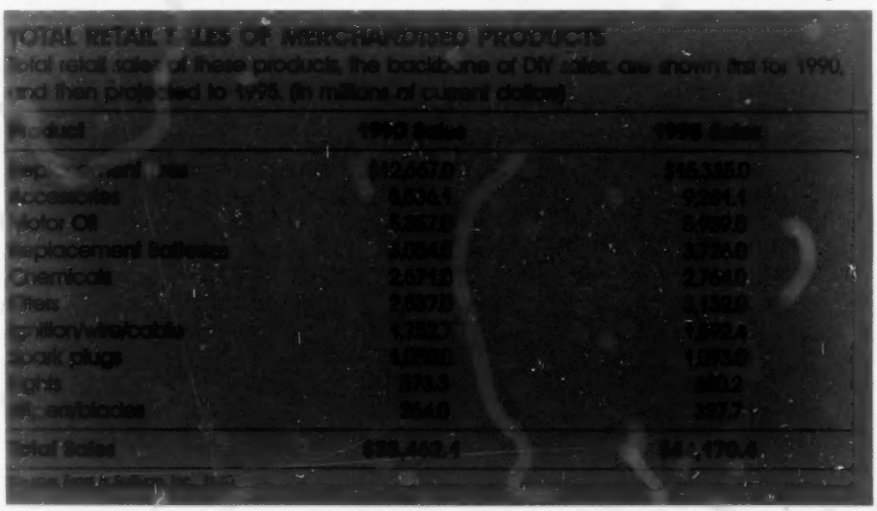
"Advocates of a severe drop in DIY point to demographics, car complexity, convenience, and perhaps most important, increasing national and local government regulations on disposing of waste oil, all forcing customers away from DIY and to the installer, particularly the quick lubes.

"Those who see only a slight drop suggest that convenience may not be as important as some people think. 'The typical DIYer is less affluent, is used to doing his own work, and usually has more than one car,' said one supplier. 'The convenience may be there, but it's still $25 a car. For two or three cars that's a lot of money every four to five months.'"

And in spark plug replacement, Mark McIvor, vice president of marketing at the Electronics Division of Allied Automotive, E. Providence, RI, said, "I see DIY going down at a point or so a year for the next several years. The reasons? The complexity of cars. Warranty implications mean a tendency to return to the dealer. The availability of quick tune locations." Based on comments from all the major spark plug suppliers, we wrote: "The DIY rate, which was more than 50% in the 1970s is in the 45% range now, and most manufacturers see the decline in DIY continuing through the 1990s to perhaps 35% by the end of the decade."

Along with examining the DIY question and product analyses, the Frost & Sullivan study also examines distribution practices and trends. Here too, the study confirms many of the trends we've examined.

- **WD/Jobber Channel** "Is now being threatened from within by direct selling practices. Manufacturers are skipping over WDs to sell direct to jobbers, and WDs are skipping over jobbers to sell direct to installers. WDs are also establishing their own jobber outlets in an effort to improve revenue flow. These trends, which affect primarily urban and suburban regions, have created widespread disenchantment among participants."
- **DIY Sales** "Mass merchandisers and auto chains maintain a primary role, but the jobber should not be counted out. Parts proliferation and declining profit margins are making many products less desirable for discount and department stores, and many DIYers are finding vehicle coverage to be a real problem, even in the auto chains. As a result, there will be a shift away from mass merchandisers, and the ripple effect will benefit auto chains and job-


TOTAL RETAIL SALES OF MERCHANDISED PRODUCTS

Total retail sales of these products, the backbone of DIY sales, are shown first for 1990, and then projected to 1995. (In millions of current dollars)

Product	1990 Sales	1995 Sales
Tires and tire accessories	$12,667.0	$15,335.0
Accessories	8,824.5	9,961.4
Motor Oil	5,357.0	6,039.0
Replacement batteries	3,084.0	3,726.0
Chemicals	2,674.0	2,764.0
Filters	2,637.0	3,152.0
Ignition/wire/cable	1,732.7	1,972.4
Spark plugs	1,000.0	1,093.0
Lights	873.5	960.2
Wipers/blades	364.0	387.7
Total Sales	$39,462.4	$44,470.4

Source: Frost & Sullivan Inc., 1991

bers. Many auto chains are expanding their SKUs and this will help stem the flow of business to jobbers."

- **Jobbers** "Are hoping to benefit from anticipated opportunities in the automotive service arena, but they will have to work hard and shift their customer base. Independent repair garages will remain as the mainstay of their business, but jobbers will increasingly expect new car dealers and repair specialists to play a larger role. Jobbers believe that in the long run they can provide quicker and more convenient delivery than the WD and more expert advice than the retail auto chains."
- **Independent Jobbers** "Face a serious challenge from program distribution groups who are able to buy in volume, coordinate marketing efforts, and disseminate information and training more effectively. Program groups are expected to continue their expansion, and are now trying to reach down to the installer as well. It will be increasingly difficult for independent jobbers to resist some type of program or buying group, and this is not necessarily good news for manufacturers who often view the power of these groups as a threat to their profitablity."

The complete 270-page report is available from Frost & Sullivan for $2,900. ■

RETAILERS

ADAP Celebrates Good Year, Will Test Service

ADAP/Auto Palace, Avon, MA, capped a record breaking sales year by holding a four-day carnival in Boston from June 15-18.

The festivities began with a two-day "Car Care Carnival" for consumers at the Bayside Exposition Center in Boston. An estimated 35,000 came through the gates to view NASCARS, model cars, ADAP race cars, the wares of 94 vendors, and take part in numerous activities and giveaways. For its part, ADAP/Auto Palace and its vendors presented a variety of automotive maintenance demonstrations and new product introductions.

Following the consumer production, the action shifted to Danvers, MA, where vendors exhibited and spoke with all ADAP and Auto Palace store managers at the chain's annual vendor show. A typical reaction came from Robert Castellano, vice president of marketing at Blue Chip Products, Fairless Hills, PA, who said, "Shows like this are good for us because we sit in an ivory tower. This is the only chance we get to speak to the people actually selling our products."

ADAP/Auto Palace's fiscal year closed with sales of $72,726,000, a growth of 18.3% over 1989's $61,458,000. Better yet, net income before taxes increased to $2,987,000 compared with a pre-tax loss of $950,000 in 1989.

Vice president and general manager Wayne Yodzio told *Automotive Marketing* that continued profitability is his goal for 1991. "We're going to go slow with store openings in 1991. We owe it to Rite Aide (ADAP's parent company) to make sure it's profitable consistantly. That's our number one objective."

ADAP now operates 38 Auto Palaces and 46 ADAP stores. An additional seven stores should be complete by year's end. Auto Palaces will increase in SKUs from roughly 11,500 now to 13,000 SKUs over

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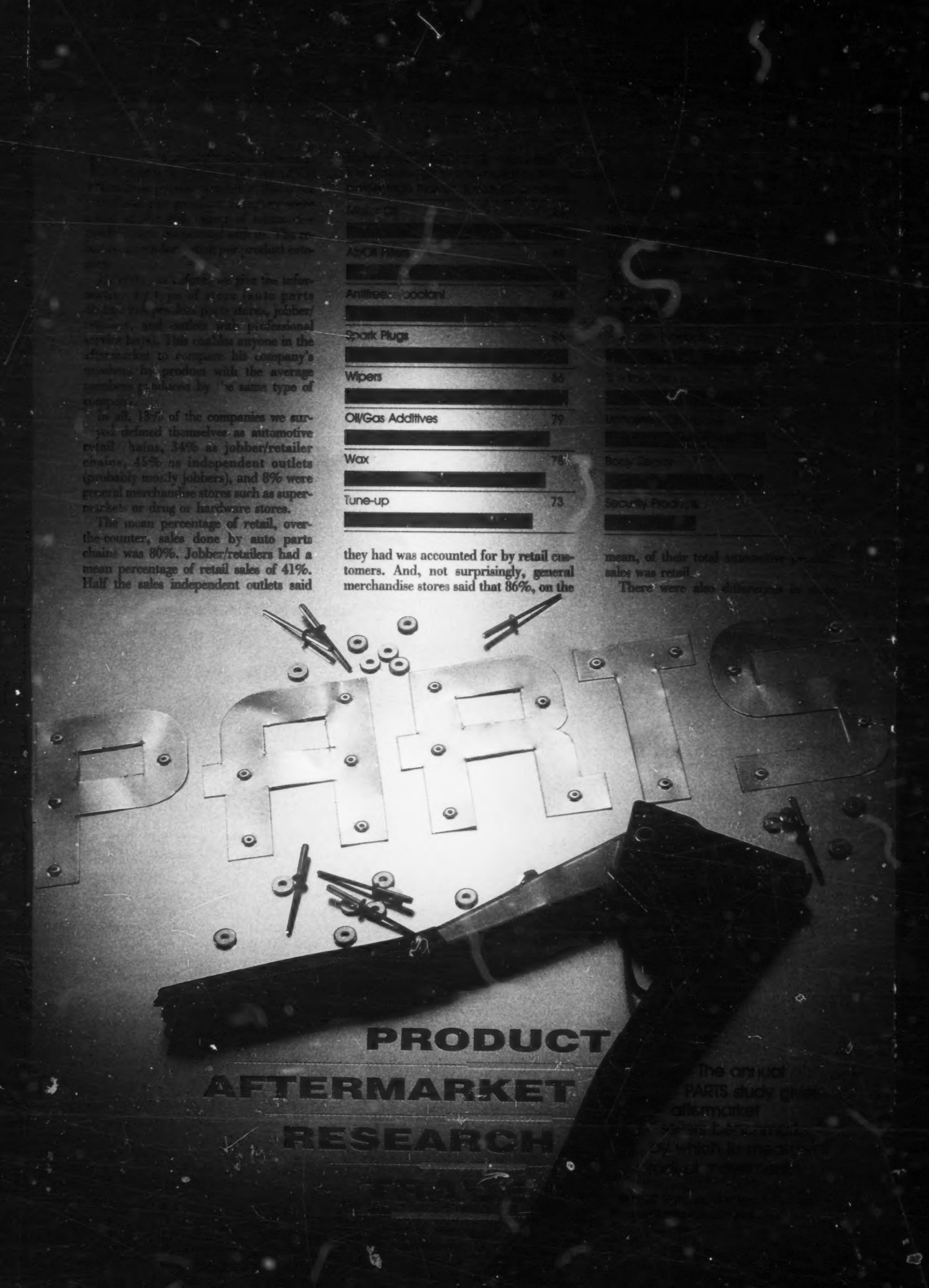


they had was accounted for by retail customers. And, not surprisingly, general merchandise stores said that 86%, on the

mean, of their total

sales was retail.

There were also

PARTS

PRODUCT

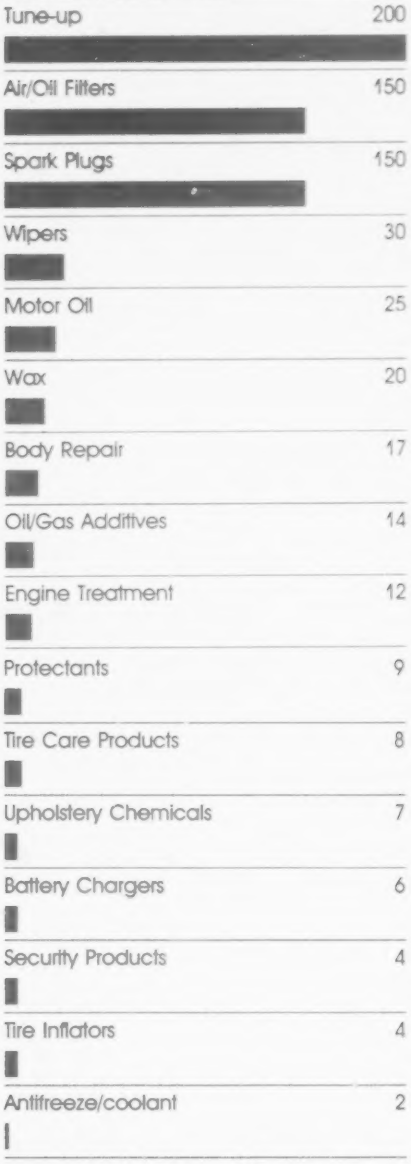
AFTERMARKET

RESEARCH

The annual PARTS study gives aftermarket

PRODUCTS BY SKUs

The SKU (Stock Keeping Unit) is the basic, individual product as differentiated by size, purpose, make, package, or other product difference. The basic products are listed by the median amount of SKUs stocked by all automotive product-stocking retail outlets.

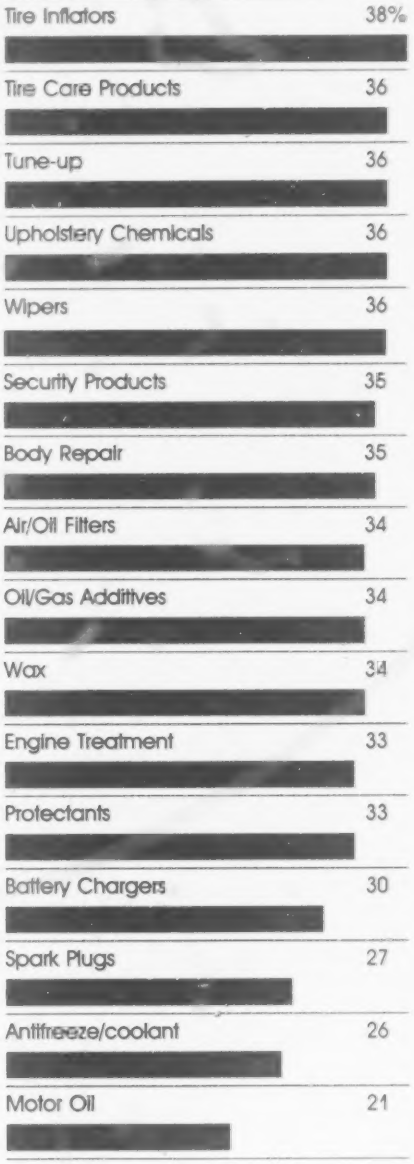


PRODUCTS BY FOOTAGE

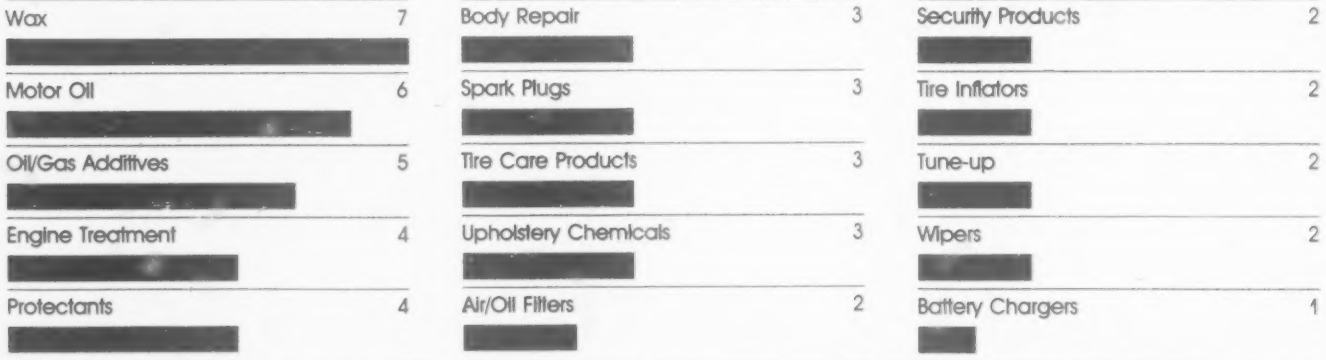
Individual products are listed by either mean square footage of display for products typically displayed in bulk or by mean linear footage of shelving devoted to products usually displayed on pegboards or by similar means.

PRODUCTS BY AVERAGE GROSS MARGINS

Gross margins are the total amount above cost the auto parts store charges. The following products are listed by the mean gross margin percentages indicated by all automotive product-stocking retail outlets.



PRODUCTS BY BRANDS The mean number of brands of each product carried by all automotive product-stocking retail outlets.



types by the number of SKUs they stock. The mean number of SKUs an auto chain stocks is 10,823; it's 10,000 for jobber/retailers; 4,000 for independent outlets; only 200 for general merchandise stores; and 2,000 for outlets with service bays.■

PARTS

PROTECTANTS

WHO STOCKS PROTECTANTS

We asked different types of stores if they stocked protectants.

Auto Parts Chain	89%
Independent Parts Store	70
Jobber/Retailers	73
Service Providers	61

THE FUTURE PROTECTANT MARKET

We asked how those involved in aftermarket product sales thought the protectant market would change.

1-5% Growth	27%
No Change	24
6-10% Growth	17
Over 20% Growth	4
11-15% Growth	4

PROTECTANT BRANDS

We asked how many brands of protectants the average store stocked.

Auto Parts Chain	5
Independent Parts Store	4
Jobber/Retailers	5
Service Providers	5

AVERAGE GROSS MARGINS OF PROTECTANTS

We asked different types of stores what their average gross margins of protectants were.

Auto Parts Chain	37%
Independent Parts Store	39
Jobber/Retailers	33
Service Providers	33

AVERAGE NUMBER OF PROTECTANT SKUs

We asked how many SKUs of protectants were stocked in an average store.

Auto Parts Chain	25
Independent Parts Store	33
Jobber/Retailers	36
Service Providers	34

PROTECTANT DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to protectants.

Auto Parts Chain	10
Independent Parts Store	12
Jobber/Retailers	14
Service Providers	11

Although not as commonly stocked as other automotive products, protectants were found to be carried by 73% of all retailers we surveyed. Nearly half of these retailers, 46%, said that protectants make up between 5% and 10% of their total sales.

Except for automotive parts chain stores, the majority of other retailers tend not to promote protectants. More than a third of all retailers, 36%, said that they do not promote protectants at all.

Automotive Parts Chain Stores

At 90%, almost all automotive parts chains carry protectants. One half of these retailers said that protectants account for between 1% and 5% of their total sales. One quarter of these chains promote protectants twelve or more times per year, although the product is of such a nature that it would tend to be more commonly be promoted during good, warm weather so one can't assume these are monthly promotions.

Independent Auto Parts Stores

A total of 70% of independent auto parts retailers and jobber/retailers stock protectants. Of these independents, 45% said that protectants make up between 1% and 5% of their total sales. Different from chains, the largest single number (41%) of independents do not promote protectants.

Non-Automotive Retailers

Almost three quarters, 73%, of non-automotive retailers carry protectants, which naturally appeal to a broad sprectrum of vehicle maintainers such as women who may not shop in auto parts stores. Similar to chains, 49% of these retailers said that protectants account for between 1% and 5% of their total sales. Almost the same as independents, 40% do not promote protectants.

Chains With Service Bays

Approximately 61% of chains with service bays stock protectants. Of these retailers, 41% said that protectants account for between 1% and 5% of their total sales. More than a third, 35%, said that they do not promote protectants. ■

WAX

PARTS

Car wax is the seventh most popular automotive item among retailers with 78% stocking car wax in one form or another. Nearly half of the retailers surveyed, 46%, said that wax accounts for between 1% and 5% of their total sales. A total of 31% said that they do not promote wax at all, while another 13% said that they promote wax twice a year.

Automotive Parts Chain Stores

At 89%, automotive parts chain stores are the retailers most likely to stock wax. Half of these retailers said that wax makes up between 1% and 5% of their total sales. Unlike other types of retailers, automotive parts chains tend to promote wax often. A total of 21% promote wax twelve or more times per year. Another 17% promote wax twice a year, and 13% promote wax four times a year.

Independent Auto Parts Stores

Three quarters of all independent auto parts stores stock wax. In regards to sales, independents tend to be similar to other types of retailers with close to half (44%) saiding that wax makes up between 1% and 5% of their total sales. The largest single group of independents rarely promote wax. A total of 42% said that they do not promote wax at all, and another 10% said that they promote wax only twice a year.

Non-Automotive Retailers

Some 80% of non-automotive retailers stock wax. Similar to chains and independents, 47% of non-automotive retailers said that between 1% and 5% of their total sales are of wax. Just over a quarter, 26%, never promote wax.

Chains With Service Bays

At 62%, chains with service bays are the retailers least likely to stock wax. A total of 40% of these chains said that wax accounts for between 1% and 5% of their total sales. Another 5% said that wax accounts for between 6% and 10% of their total sales. The largest number of these chains (40%) never promote wax. Some 16% promote wax twice a year, while 11% promote wax annually. ■

WAX DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to wax.

Auto Parts Chain	15
Independent Parts Store	13
Jobber/Retailers	12
Service Providers	15

AVERAGE NUMBER OF WAX SKUs

We asked how many SKUs of waxes were stocked in an average store.

Auto Parts Chain	30
Independent Parts Store	53
Jobber/Retailers	42
Service Providers	28

AVERAGE GROSS MARGINS OF WAXES

We asked different types of stores what their average gross margins of waxes were.

Auto Parts Chain	40%
Independent Parts Store	37
Jobber/Retailers	33
Service Providers	33

WAX BRANDS

We asked how many brands of wax the average store stocked.

Auto Parts Chain	8
Independent Parts Store	7
Jobber/Retailers	6
Service Providers	8

THE FUTURE WAX MARKET

We asked how those involved in aftermarket product sales thought the wax market would change.

1-5% Growth	27%
No Change	25
6-10% Growth	20
11-15% Growth	3
Over 20% Growth	2

WHO STOCKS WAX

We asked different types of stores if they stocked wax.

Auto Parts Chain	89%
Independent Parts Store	75
Jobber/Retailers	80
Service Providers	62

BODY REPAIR PRODUCTS

PARTS

Although body repair products are not as commonly stocked as other automotive items, these products are carried by 61% of the retailers we surveyed. The largest number of retailers, 38%, said that such products account for between 1% and 5% of their total sales. Almost as many retailers, 37%, said that they never promote body repair.

Automotive Parts Chain Stores

At 70%, automotive parts chains are the retailers most likely to carry body repair products. More than half of these retailers, 53%, said that body repair products account for between 1% and 5% of their total sales. Automotive parts chains vary in how often they promote body repair products. Over a fifth, 21% said that they promote body repair products twice annually. Another 16% said that they promote body repair products 12 or more times a year.

Independent Auto Parts Stores

Independent auto parts stores tend to differ from automotive parts chains with only 59% of independents carrying body repair products. Of these independents, 31% said that body repair products account for between 1% and 5% of their total sales. More than half of independents, 52%, said that they do not promote body repair products at all.

Non-Automotive Retailers

Some 65% of non-automotive retailers carry body repair products. Of these retailers, 42% said that body repair products account for between 1% and 5% of their total sales. Nearly one third, 32%, of these retailers said that they never promote body repair products.

Chains With Service Bays

Chains with service bays that carry body repair products are strikingly low compared to other retailers. Only 44% of these chains carry body repair products. Approximately 41% said that body repair products account for between 1% and 5% of their total sales. Almost half of these chains (48%) said that they never promote body repair products. ■

WHO STOCKS BODY REPAIR PRODUCTS

We asked different types of stores if they stocked body repair products.

Auto Parts Chain	70%
Independent Parts Store	59
Jobber/Retailers	64
Service Providers	44

THE FUTURE BODY REPAIR PRODUCT MARKET

We asked how those involved in aftermarket product sales thought the body repair product market would change.

1-5% Growth	25%
6-10% Growth	21
No Change	18
11-15% Growth	7
Over 20% Growth	3

BODY REPAIR PRODUCT BRANDS

We asked how many brands of body repair products the average store stocked.

Auto Parts Chain	3
Independent Parts Store	2
Jobber/Retailers	2
Service Providers	2

AVERAGE GROSS MARGINS OF BODY REPAIR PRODUCTS

We asked different types of stores what their average gross margins of body repair products were.

Auto Parts Chain	42%
Independent Parts Store	33
Jobber/Retailers	37
Service Providers	33

AVERAGE NUMBER OF BODY REPAIR PRODUCT SKUs

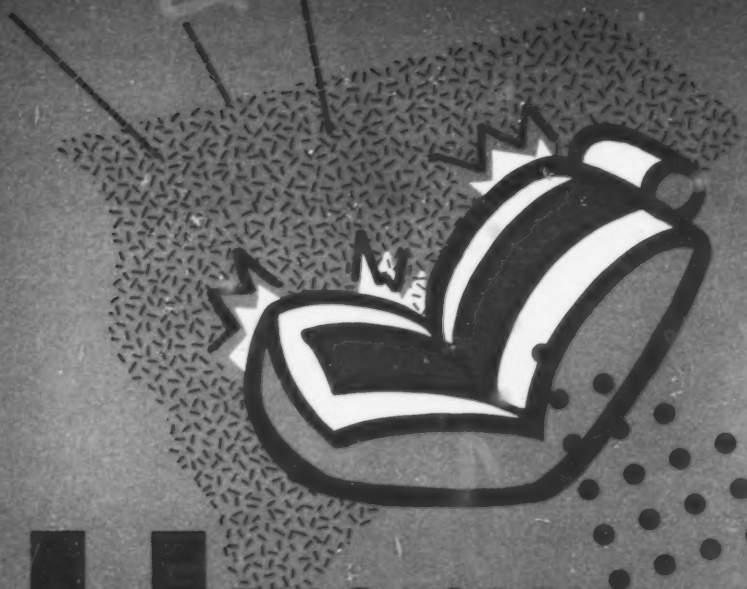
We asked how many SKUs of body repair products were stocked in an average store.

Auto Parts Chain	34
Independent Parts Store	347
Jobber/Retailers	408
Service Providers	21

BODY REPAIR PRODUCT DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to body repair products.

Auto Parts Chain	12
Independent Parts Store	60
Jobber/Retailers	29
Service Providers	37



UPHOLSTERY CHEMICALS

PARTS

Upholstery chemicals are another of the uncommonly stocked automotive product categories. A total of 62% of the retailers we surveyed said that they stock these chemicals. The largest single group of these retailers, 44%, said that upholstery chemicals account for 1% to 5% of their total sales. A total of 32% of these retailers do not give upholstery chemicals advertising attention.

Automotive Parts Chain Stores

Almost two-thirds of automotive parts chains, 74%, stock upholstery chemicals. The majority of these retailers, 60%, said that upholstery chemicals make up between 1% and 5% of their total sales. However, promotion of these chemicals by chains tends to vary. Approximately 15% of these chains promote upholstery chemicals once a year, while another 15% promote these chemicals 12 or more times per year.

Independent Auto Parts Stores

More than half of independent auto parts stores, 56%, stock chemicals. More than a third of these stores, 36%, said that upholstery chemicals account for 1% to 5% of their total sales. Differing from automotive parts chains, the largest group of independents (44%) never promote these chemicals.

Non-Automotive Retailers

A total of 70% of non-automotive retailers carry upholstery chemicals. Nearly half of these retailers, 46%, said that between 1% and 5% of their total sales were from upholstery chemicals. Similar to independents, 27% of these retailers don't feel the need to promote these chemicals.

Chains With Service Bays

At 46%, chains with service bays are the retailers least likely to carry upholstery cleaners. Less than a third of these chains, 32%, said that upholstery cleaners account for 1% to 5% of their total sales. Similar to independents, 43% of these retailers choose not to promote upholstery cleaners at all. ■

UPHOLSTERY CHEMICAL DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to upholstery chemicals.

Auto Parts Chain	6
Independent Parts Store	7
Jobber/Retailers	4
Service Providers	10

AVERAGE NUMBER OF UPHOLSTERY CHEMICAL SKUs

We asked how many SKUs of upholstery chemicals were stocked in an average store.

Auto Parts Chain	11
Independent Parts Store	16
Jobber/Retailers	15
Service Providers	12

AVERAGE GROSS MARGINS OF UPHOLSTERY CHEMICALS

We asked different types of stores what their average gross margins of upholstery chemicals were.

Auto Parts Chain	45%
Independent Parts Store	35
Jobber/Retailers	32
Service Providers	35

UPHOLSTERY CHEMICAL BRANDS

We asked how many brands of upholstery chemicals the average store stocked.

Auto Parts Chain	3
Independent Parts Store	3
Jobber/Retailers	3
Service Providers	3

THE FUTURE UPHOLSTERY CHEMICAL MARKET

We asked how those involved in aftermarket product sales thought the upholstery chemical market would change.

1-5% Growth	30%
No Change	25
6-10% Growth	14
Over 20% Growth	2
11-15% Growth	2

WHO STOCKS UPHOLSTERY CHEMICALS

We asked different types of stores if they stocked upholstery chemicals.

Auto Parts Chain	74%
Independent Parts Store	56
Jobber/Retailers	70
Service Providers	46

PARTS

WIPERS

One of the more commonly stocked automotive products, wipers are carried by 86% of the retailers we surveyed. Nearly half of these retailers, 49%, said that wipers account for between 1% and 5% of their total profits. More than a quarter of these retailers, 26%, said that they don't bother to promote wipers.

Automotive Parts Chain Stores

At 93%, automotive parts chains are the type of retailers most likely to carry wipers. Almost half of these chains (48%) said that wipers account for between 1% and 5% of their total sales. One fifth of these automotive parts chains said that they promote wipers twelve or more times a year, probably more in wetter winter months and more in northern areas and wet areas than elsewhere.

Independent Auto Parts Stores

A total of 85% of independent auto parts stores carry wipers. Similar to chains, close to half of independents, 46%, said that wipers make up 1% to 5% of their total sales. Unlike chains, more than a third, 36%, said that they do not promote wipers, depending on the need to bring customers into their stores.

Non-Automotive Retailers

Approximately 90% of non-automotive retailers carry wipers. More than half of these retailers, 55%, said that wipers account for between 1% and 5% of their total sales. Almost one fifth said that they do not promote wipers. Another 11% said that they promote wipers once a year, and 17% said that they promote wipers twice a year.

Chains With Service Bays

Just over three quarters of chains with service bays, 77%, said that they stock wipers. Similar to other retailers, 43% of these chains said that wipers account for between 1% and 5% of their total profits. A total of 28% of these retailers said that they do not promote wipers. Another 9% said that they promote wipers twice a year, while 11% said that they promote wipers 12 or more times a year. ■

WHO STOCKS WIPERS

We asked different types of stores if they stocked wipers.

Auto Parts Chain	93%
Independent Parts Store	85
Jobber/Retailers	90
Service Providers	77

THE FUTURE WIPERS MARKET

We asked how those involved in aftermarket product sales thought the wipers market would change.

1-5% Growth	31%
6-10% Growth	22
No Change	15
11-15% Growth	7
Over 16% Growth	5

WIPER BRANDS

We asked how many brands of wipers the average store stocked.

Auto Parts Chain	2
Independent Parts Store	1
Jobber/Retailers	2
Service Providers	2

AVERAGE GROSS MARGINS OF WIPERS

We asked different types of stores what their average gross margins of wipers were.

Auto Parts Chain	43%
Independent Parts Store	35
Jobber/Retailers	34
Service Providers	35

AVERAGE NUMBER OF WIPER SKUs

We asked how many SKUs of wipers were stocked in an average store.

Auto Parts Chain	40
Independent Parts Store	80
Jobber/Retailers	103
Service Providers	47

WIPERS DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to windshield wipers.

Auto Parts Chain	7
Independent Parts Store	9
Jobber/Retailers	12
Service Providers	6

TIRE CARE PRODUCTS

PARTS

Tire care products consist mainly of cleaners designed specifically to improve the appearance of tires. A total of 63% of the retailers we surveyed carry tire care products. Of these retailers, close to half, 46%, said that between 1% and 5% of their total sales were from tire care products. Almost one third of these retailers, 32%, said that they do not feel the need to promote these products.

Automotive Parts Chain Stores

At 78%, automotive parts chain stores are the retailers most likely to carry tire care products. The majority of these retailers, 58%, said that tire care products account for 1% to 5% of their total sales. Most promote these products. However, the number of times they do varies. Some 19% promote tire care products twice a year, while 14% promote them 12 or more times per year.

Independent Auto Parts Stores

More than half of independent auto parts stores (58%) carry tire care products. Of these independents, 38% said that these products make up between 1% and 5% of their total sales. Unlike chains, the largest single number of these retailers (39%) choose not to promote tire care products.

Non-Automotive Retailers

More than two-thirds of non-automotive retailers, 70%, stock tire care products. Just over half of these retailers, 51%, said that between 1% and 5% of their total sales were from these products. Similar to independents, 34% of these retailers do not promote tire care products.

Chains With Service Bays

Chains with service bays tend to mirror independents as far as tire care products are concerned. A total of 57% of chains with service bays carry tire care products. Just over a third of these chains, 34%, said that tire care products make up 1% to 5% of their total sales. Finally, 40% of these chains do not feel the need to promote tire care products. ■

WHO STOCKS TIRE CARE PRODUCTS

We asked different types of stores if they stocked tire care products.

Auto Parts Chain	78%
Independent Parts Store	58
Jobber/Retailers	70
Service Providers	57

THE FUTURE TIRE CARE PRODUCT MARKET

We asked how those involved in aftermarket product sales thought the tire care product market would change.

1-5% Growth	36%
No Change	20
6-10% Growth	14
Over 20% Growth	3
16-20% Growth	2

TIRE CARE PRODUCT BRANDS

We asked how many brands of tire care products the average store stocked.

Auto Parts Chain	4
Independent Parts Store	2
Jobber/Retailers	3
Service Providers	3

AVERAGE GROSS MARGINS OF TIRE CARE PRODUCTS

We asked different types of stores what their average gross margins of tire care products were.

Auto Parts Chain	44%
Independent Parts Store	35
Jobber/Retailers	34
Service Providers	34

AVERAGE NUMBER OF TIRE CARE PRODUCT SKUs

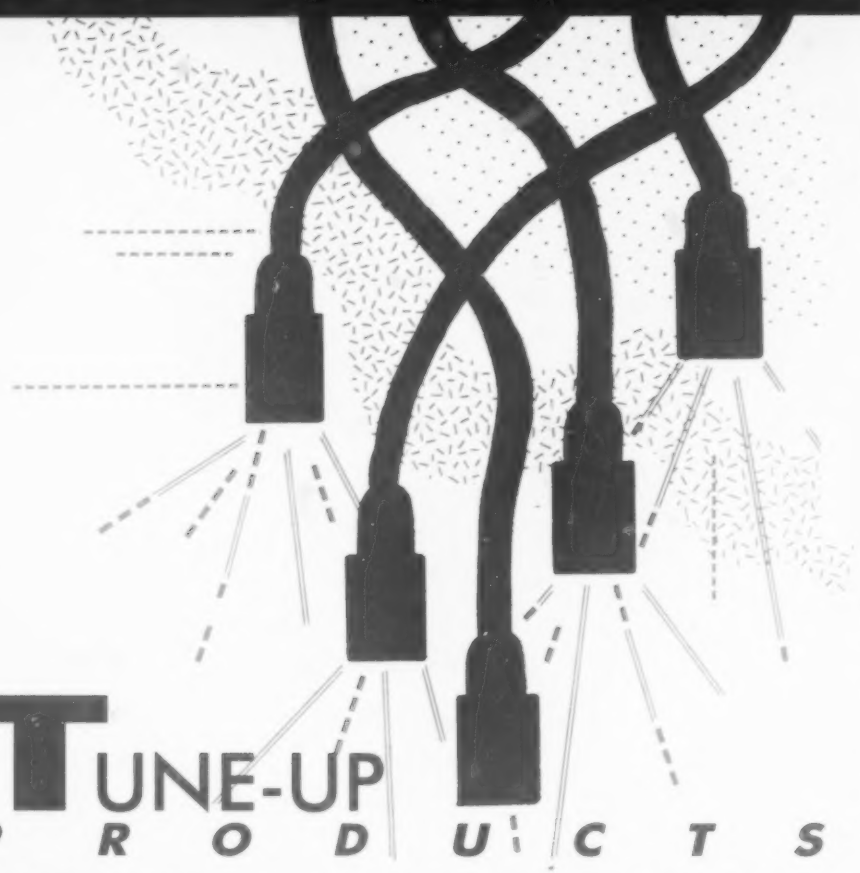
We asked how many SKUs of tire care products were stocked in an average store.

Auto Parts Chain	9
Independent Parts Store	24
Jobber/Retailers	21
Service Providers	20

TIRE CARE PRODUCT DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to tire care products.

Auto Parts Chain	6
Independent Parts Store	70
Jobber/Retailers	6
Service Providers	105



TUNE-UP PRODUCTS

une-up products cover a wide range of items from wires to points for pre-electronic cars. A total of 73% of the retailers we surveyed stock tune-up products. The largest single group of retailers we surveyed, 18%, said that tune-up products make up between 1% and 5% of their total sales. More than one quarter, 26%, said that they do not promote these products.

Automotive Parts Chain Stores

Approximately 82% of automotive parts chains carry tune-up products in one form or another. More than one third of these chains, 36%, said that tune-up produts account for between 1% and 5% of their total sales. A total of 27% said that they promote tune-up products 12 or more times per year.

Independent Auto Parts Stores

Slightly differing from chains, 69% of independent auto parts stores stock tune-up products. At 18%, the largest single group of independents said that these products make up between 6% and 10% of their total sales. Another 12% said that tune-up products account for 1% to 5% of their total sales. Almost one third, 32%, said that they do not promote these products.

Non-Automotive Retailers

Approximately 85% of non-automotive retailers stock tune-up products. Exactly one fifth of these retailers said that these products account for 1% to 5% of their total sales. Just over one quarter (26%) said that they never promote tune-up products.

Chains With Service Bays

At 57%, chains with service bays are the retailers least likely to stock tune-up products. Similar to non-automotive retailers, exactly one fifth said that these products make up between 1% and 5% of their total sales. Also similar to non-automotive retailers, the largest single group of these chains (23%) do not promote tune-up products. ■

TUNE-UP PRODUCT DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to tune-up products.

Auto Parts Chain	53
Independent Parts Store	53
Jobber/Retailers	71
Service Providers	38

AVERAGE NUMBER OF TUNE-UP PRODUCT SKUs

We asked how many SKUs of tune-up products were stocked in an average store.

Auto Parts Chain	201
Independent Parts Store	398
Jobber/Retailers	511
Service Providers	437

AVERAGE GROSS MARGINS OF TUNE-UP PRODUCTS

We asked different types of stores what their average gross margins of tune-up products were.

Auto Parts Chain	42%
Independent Parts Store	34
Jobber/Retailers	34
Service Providers	34

TUNE-UP PRODUCT BRANDS

We asked how many brands of tune-up products the average store stocked.

Auto Parts Chain	2
Independent Parts Store	2
Jobber/Retailers	2
Service Providers	3

THE FUTURE TUNE-UP PRODUCT MARKET

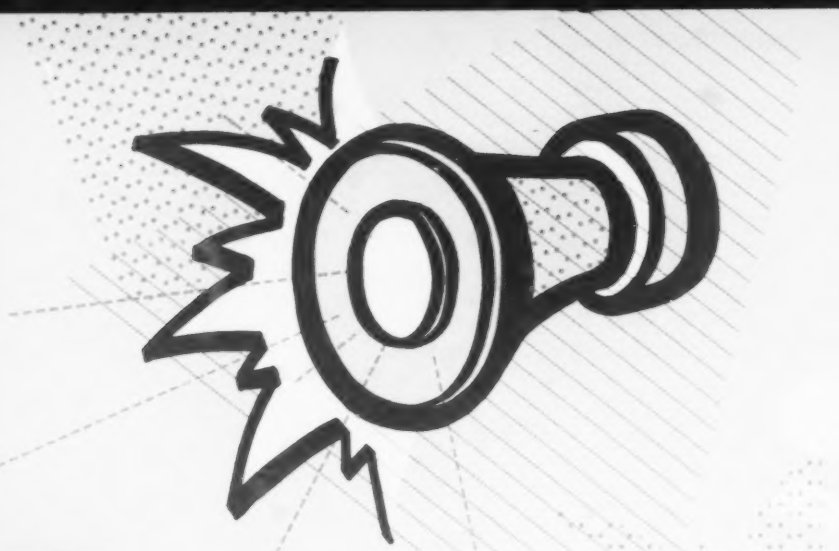
We asked how those involved in aftermarket product sales thought the tune-up product market would change.

6-10% Growth	28%
1-5% Growth	22
No Change	9
16-20% Growth	7
11-15% Growth	7

WHO STOCKS TUNE-UP PRODUCTS

We asked different types of stores if they stocked tune-up products.

Auto Parts Chain	82%
Independent Parts Store	70
Jobber/Retailers	85
Service Providers	57



SECURITY PRODUCTS

Security products take in a wide range of items from electronic car alarm systems to mechanical steering wheel locks. Even with this wide range, only 35% of the retailers we surveyed carry security products, making these items the least commonly stocked automotive product category.

Less than half of the retailers we surveyed, 45%, said that security products make up between 1% and 5% of their total sales. Less than a third of these retailers, 29%, said that they do not give security products advertising attention.

SECURITY PRODUCT DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to security products.

Auto Parts Chain	6
Independent Parts Store	4
Jobber/Retailers	3
Service Providers	7

AVERAGE NUMBER OF SECURITY PRODUCT SKUs

We asked how many SKUs of security products were stocked in an average store.

Auto Parts Chain	9
Independent Parts Store	6
Jobber/Retailers	10
Service Providers	17

AVERAGE GROSS MARGINS OF SECURITY PRODUCTS

We asked different types of stores what their average gross margins of security products were.

Auto Parts Chain	44%
Independent Parts Store	33
Jobber/Retailers	33
Service Providers	34

SECURITY PRODUCT BRANDS

We asked how many brands of security products the average store stocked.

Auto Parts Chain	2
Independent Parts Store	2
Jobber/Retailers	1
Service Providers	2

THE FUTURE SECURITY PRODUCT MARKET

We asked how those involved in aftermarket product sales thought the security product market would change.

1-5% Growth	31%
No Change	25
6-10% Growth	10
11-15% Growth	6
16-20% Growth	6

WHO STOCKS SECURITY PRODUCTS

We asked different types of stores if they stocked security products.

Auto Parts Chain	63%
Independent Parts Store	30
Jobber/Retailers	34
Service Providers	43

Automotive Parts Chain Stores

At 63%, automotive parts chains are the retailers most likely to carry security products. A total of 59% of these retailers said that security products account for 1% to 5% of their total sales. Almost one fifth of these retailers, 18%, said that they promote these products 12 or more times per year. Another 18% said that they promote security products once a year, and an additional 18% said that they promote these items twice a year.

Independent Auto Parts Stores

At 30%, independent auto parts stores are the retailers least likely to stock security products. Differing from chains, 34% of independents said that security products make up between 1% and 5% of their total sales. More than a third of independents, 38%, said that they do not promote security products.

Non-Automotive Retailers

Just over one third (34%) of non-automotive retailers stock security products. Half of these retailers said that these items account for 1% to 5% of their total sales. Similar to independents, 30% said that they do not promote security products.

Chains With Service Bays

A total of 43% of chains with service bays stock security products. Of these chains, 39% said that these products make up between 1% and 5% of their total sales. Similar to independents and non-automotive retailers, 31% of these chains do not advertise security products. ■

MOTOR OIL

PARTS

A total of 89% of all retailers stock motor oil, making it the most commonly stocked automotive product. More than a third of all retailers, 36%, said that motor oil accounts for between 1% and 5% of their total sales. Only a quarter of all retailers said that they never promote motor oil.

Automotive Parts Chain Stores

Approximately 89% of automotive chain stores stock motor oil. Of these chains, 29% said that motor oil accounts for between 1% and 5% of their total sales. A third of automotive chains promote motor oil 12 or more times per year—at least once a month.

Independent Auto Parts Stores

Independent auto parts stores are similar to chains with regards to the stocking and sales of motor oil. A total of 87% of independents stock motor oil, and nearly a third of independents, 32%, said that motor oil acconts for between 1% and 5% of their total sales. However, independents differ from chains with slightly over a third (34%) saiding that they never promote motor oil.

Non-Automotive Retailers

At 95%, nearly all non-automotive retailers carry motor oil. These retailers slightly differ from others since 43% said that motor oil makes up between 1% and 5% of their total sales. Promotion of motor oil by these retailers varies. A total of 18% of these retailers do not promote motor oil, while 14% promote motor oil four times a year, around once a quarter.

Chains With Service Bays

A total of 82% of chains with service bays carry motor oil. For 34% of these chains, motor oil accounts for between 1% and 5% of their total sales. Similar to non-automotive retailers, chains with service bays vary in the promotion of motor oil. Nearly a quarter, 24%, do not promote motor oil at all, while 16% promote motor oil 12 or more times a year. ■

MOTOR OIL DISPLAY SPACE

We asked how many square feet each average store devoted to motor oil.

Auto Parts Chain	85
Independent Parts Store	54
Jobber/Retailers	57
Service Providers	66

MOTOR OIL BRANDS

We asked how many brands of motor oil the average store stocked.

Auto Parts Chain	8
Independent Parts Store	6
Jobber/Retailers	5
Service Providers	6

AVERAGE NUMBER OF MOTOR OIL SKUs

We asked how many SKUs of motor oil were stocked in an average store.

Auto Parts Chain	48
Independent Parts Store	378
Jobber/Retailers	459
Service Providers	76

THE FUTURE MOTOR OIL MARKET

We asked how those involved in aftermarket products thought the motor oil market would change.

1-5% Growth	29%
6-10% Growth	22
No Change	15
16-20% Growth	5
Over 20% Growth	4

AVERAGE GROSS MARGINS OF MOTOR OIL

We asked different types of stores what their average gross margins of motor oil were.

Auto Parts Chain	19%
Independent Parts Store	21
Jobber/Retailers	21
Service Providers	23

WHO STOCKS MOTOR OIL

We asked different types of stores if they stocked motor oil.

Auto Parts Chain	89%
Independent Parts Store	88
Jobber/Retailers	95
Service Providers	82

SPARK PLUGS

PARTS

With 86% of all outlets stocking them, spark plugs, a basic automotive product, are not surprisingly one of the more commonly stocked automotive product categories. More than one third of the retailers we surveyed (35%) said that spark plugs account for 1% to 5% of their total sales. Just under one quarter of retailers who stock spark plugs, 23%, said that they do not give spark plugs advertising attention.

Automotive Parts Chain Stores

A total of 85% of automotive parts chains carry spark plugs. Of these retailers, 44% said that spark plugs make up 1% to 5% of their total sales. Just over one quarter of these retailers (26%) said that they promote spark plugs 12 or more times per year.

Independent Auto Parts Stores

Approximately 88% of independent auto stores stock spark plugs. Just under one third of independents, 32%, said that spark plugs account for 1% to 5% of their total sales. Unlike chains, more than one quarter of independents, 27%, said that they do not promote spark plugs.

Non-Automotive Retailers

Exactly half of the non-automotive retailers with whom we spoke carried spark plugs. More than one third of these retailers (37%) said that spark plugs make up between 1% and 5% of their total sales. Similar to independents, 22% of these retailers said that they do not promote spark plugs.

Chains With Service Bays

At 75%, chains with service bays are the retailers least likely to stock spark plugs. One third of these chains said that spark plugs account for 1% to 5% of their total sales.

Differing from other retailers, the promotion of spark plugs among chains or independent outlets with service bays is varied. The largest single group of these chains at 17% do not promote spark plugs. Another 11% promote them twice a year, and an additional 11% promote them four times a year.

WHO STOCKS SPARK PLUGS

We asked different types of stores if they stocked spark plugs.

Auto Parts Chain	85%
Independent Parts Store	88
Jobber/Retailers	92
Service Providers	75

THE FUTURE SPARK PLUG MARKET

We asked how those involved in aftermarket product sales thought the spark plug market would change.

1-5% Growth	25%
6-10% Growth	25
No Change	15
11-15% Growth	4
16-20% Growth	3

SPARK PLUG BRANDS

We asked how many brands of spark plugs the average store stocked.

Auto Parts Chain	4
Independent Parts Store	3
Jobber/Retailers	3
Service Providers	3

AVERAGE GROSS MARGINS OF SPARK PLUGS

We asked different types of stores what their average gross margins of spark plugs were.

Auto Parts Chain	29%
Independent Parts Store	27
Jobber/Retailers	25
Service Providers	30

AVERAGE NUMBER OF SPARK PLUG SKU

We asked how many SKUs of spark plugs were stocked in an average store.

Auto Parts Chain	353
Independent Parts Store	588
Jobber/Retailers	584
Service Providers	367

SPARK PLUG DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to spark plugs.

Auto Parts Chain	39
Independent Parts Store	34
Jobber/Retailers	37
Service Providers	27

PARTS

OIL GAS ADDITIVES

At 79%, the full line of oil and gas additives from fuel injector cleaners and lead substitutes to octane boosters and carburetor cleaners are another line of automotive products carried by most of the retailers we surveyed. More than half of these retailers (53%) said that additives account for between 1% and 5% of their total sales. Even so, a third of these retailers said that they do not feel a need to promote additives at all.

OIL/GAS ADDITIVE DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to oil and gas additives.

Auto Parts Chain	13
Independent Parts Store	10
Jobber/Retailers	10
Service Providers	11

AVERAGE NUMBER OF OIL/GAS ADDITIVE SKUs

We asked how many SKUs of oil and gas additives were stocked in an average store.

Auto Parts Chain	28
Independent Parts Store	44
Jobber/Retailers	27
Service Providers	35

AVERAGE GROSS MARGINS OF OIL/GAS ADDITIVES

We asked different types of stores what their average gross margins of oil and gas additives were.

Auto Parts Chain	39%
Independent Parts Store	35
Jobber/Retailers	33
Service Providers	33

OIL/GAS ADDITIVE BRANDS

We asked how many brands of oil and gas additives the average store stocked.

Auto Parts Chain	6
Independent Parts Store	5
Jobber/Retailers	5
Service Providers	5

THE FUTURE OIL/GAS ADDITIVE MARKET

We asked how those involved in aftermarket product sales thought the oil and gas additive market would change.

1-5% Growth	30%
6-10% Growth	21
No Change	15
16-20% Growth	5
11-15% Growth	4

WHO STOCKS OIL/GAS ADDITIVES

We asked different types of stores if they stocked oil and gas additives.

Auto Parts Chain	78%
Independent Parts Store	76
Jobber/Retailers	85
Service Providers	61

Automotive Parts Chain Stores

A total of 79% of automotive parts chains carry additives. The same percentage of auto parts chains as all retailers, 53%, said that additives make up 1% to 5% of their total sales. Almost one third of these chains, 29%, said that they promote additives regularly, at least a dozen or more times a year.

Independent Auto Parts

Additives are carried by slightly over three quarters (76%) of the independents we surveyed. Similar to chains, 45% of these retailers said that additives account for between 1% and 5% of their total sales. In all, 10% more independent auto parts stores than automotive chains, (40%) said that they do not promote additives.

Non-Automotive Retailers

At 85%, non-automotive retailers are most likely to stock additives. Similar to chains and independents, half of these retailers said that additives make up 1% to 5% of their total sales. Almost a third of these retailers, 30%, said that they do not promote additives.

Chains With Service Bays

At 61%, chains with service bays are the least likely retailers to carry additives. A total of 41% of these chains said that additives account for between 1% and 5% of their total sales. Similar to independents and non-automotive retailers, 39% of these chains said that they do not promote additives. ■

TIRE INFLATORS

WHO STOCKS TIRE INFLATORS

We asked different types of stores if they stocked tire inflators.

Auto Parts Chain	67%
Independent Parts Store	58
Jobber/Retailers	71
Service Providers	46

AVERAGE GROSS MARGINS OF TIRE INFLATORS

We asked different types of stores what their average gross margins of tire inflators were.

Auto Parts Chain	48%
Independent Parts Store	36
Jobber/Retailers	36
Service Providers	34

THE FUTURE TIRE INFLATOR MARKET

We asked how those involved in aftermarket product sales thought the tire inflator market would change.

1-5% Growth	34%
No Change	22
6-10% Growth	10
Over 20% Growth	2
11-15% Growth	2

AVERAGE NUMBER OF TIRE INFLATOR SKUs.

We asked how many SKUs of antifreeze/coolant were stocked in an average store.

Auto Parts Chain	10
Independent Parts Store	12
Jobber/Retailers	10
Service Providers	8

TIRE INFLATOR BRANDS

We asked how many brands of tire inflators the average store stocked.

Auto Parts Chain	2
Independent Parts Store	1
Jobber/Retailers	2
Service Providers	2

TIRE INFLATOR DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to tire inflators.

Auto Parts Chain	4
Independent Parts Store	3
Jobber/Retailers	3
Service Providers	3

t 62% of all outlets surveyed stocking them, tire inflators are one of the least commonly stocked of all automotive products. However, nearly half of the retailers we surveyed, 47%, said that tire inflators account for 1% to 5% of their total sales. Approximately 38% do not promote tire inflators.

Automotive Parts Chains

Just over two-thirds of automotive parts chains, 67%, carry tire inflators. More than half of these retailers, 57%, said that inflators make up between 1% and 5% of their total sales. A total of 17%, the largest single group of these retailers, promote inflators twice a year. This is the only significant group of all the different outlets we surveyed who reported promoting tire inflators.

Independent Auto Parts Stores

Independent auto stores tend to differ from chains in regards to tire inflators. For one thing, fewer carry them.Just over half of independent auto parts stores, 58%, stock inflators. Less than half, some 49%, of independents said that inflators account for 1% to 5% of their total sales. Also unlike automotive parts chains, almost half of independent auto parts outlets, 46%, said that they do not promote inflators.

Non-Automotive Retailers

At more than two-thirds, 71%, non-automotive stores are the retailers most likely to carry tire inflators. Just over half of these retailers, 52%, said that tire inflators make up between 1% and 5% of their total sales. Despite this, 43% of non-automotive retailers said that they do not promote inflators.

Chains With Service Bays

At 46%, chains or stores with service bays are the type of retailers least likely to stock tire inflators. A total of 39% said that inflators account for between 1% and 5% of their total sales. The same exact percentage said that they do not promote inflators, similar to independents and non-automotive retailers. ■

PARTS

ANTIFREEZE/ COOLANT

Antifreeze/coolant is the third most commonly stocked automotive product, carried by 88% of the retailers surveyed. The majority of retailers, 43%, said that antifreeze/coolant makes up between 1% and 5% of their total sales. Almost one quarter of all retailers surveyed said that they do not promote anitfreeze/coolant at all.

WHO STOCKS ANTIFREEZE/ COOLANT

We asked different types of stores if they stocked antifreeze/coolant.

Auto Parts Chain	85%
Independent Parts Store	88
Jobber/Retailers	92
Service Providers	77

THE FUTURE ANTIFREEZE/COOLANT MARKET

We asked how those involved in aftermarket product sales thought the antifreeze/coolant market would change.

1-5% Growth	28%
No Change	24
6-10% Growth	22
16-20% Growth	7
Over 20% Growth	4

ANTIFREEZE/COOLANT BRANDS

We asked how many brands of antifreeze/coolant the average store stocked.

Auto Parts Chain	2
Independent Parts Store	2
Jobber/Retailers	2
Service Providers	2

AVERAGE GROSS MARGINS OF ANTIFREEZE/COOLANT

We asked different types of stores what their average gross margins of antifreeze/coolant were.

Auto Parts Chain	27%
Independent Parts Store	27
Jobber/Retailers	24
Service Providers	26

AVERAGE NUMBER OF ANTIFREEZE/ COOLANT SKUs

We asked how many SKUs of antifreeze/ coolant were stocked in an average store.

Auto Parts Chain	5
Independent Parts Store	132
Jobber/Retailers	127
Service Providers	29

ANTIFREEZE/COOLANT DISPLAY SPACE

We asked how many square feet each average store devoted to antifreeze/ coolant.

Auto Parts Chain	29
Independent Parts Store	19
Jobber/Retailers	13
Service Providers	28

Automotive Parts Chain Stores

Approximately 85% of automotive parts chain stores stock antifreeze/coolant. Of these, 35% said that between 1% and 5% of their total sales are from antifreeze/coolant, while another 9% said that between 6% and 10% of their total sales are from antifreeze/coolant. At 17%, the largest single group of of these retailers said that they promote antifreeze/coolant four times a year.

Independent Auto Parts Stores

A similar percentage of independent auto parts stores carries a antifreeze/coolant as chain stores do (88%). Some 43% of these independents said that of their total sales between 1% and 5% are in antifreeze/coolant sales. Another 5% of independents said that antifreeze/coolant comprises between 6% and 10% of their total sales. However, independents differ from chains in the amount of times that antifreeze/coolant is promoted per year. At 35%, the biggest single group of independents said they do not promote antifreeze/coolant at all.

Non-Automotive Retailers

At 92%, non-automotive, general merchandise, retailers are more apt to carry antifreeze/coolant than automotive retailers. Almost half of non-automotive retailers said that between 1% and 5% of their total sales are from antifreeze/coolant. A third of non-automotive retailers said that they promote antifreeze/coolant twice a year.

Chains With Service Bays

At 77%, chains with service bays are less apt to stock antifreeze/coolant than other automotive retailers. Of these chains, 36% said that between 1% and 5% of their total sales are from antifreeze/coolant. A fifth of these retailers said that they do not promote antifreeze/coolant at all, while another fifth said that they promote antifreeze/coolant once a year. ■

PARTS

BATTERY CHARGERS

Just under two-thirds of the retailers we surveyed (64%) stock battery chargers, ranging from large, plug-in models to small, solar-powered ones. A total of 44% of these retailers said these useful items account for 1% to 5% of their total sales. Exactly one quarter of these retailers do not promote battery chargers.

Automotive Parts Chain Stores

Over two-thirds of automotive parts chain stores (67%) stock battery chargers. More than half of these retailers, 56%, said that chargers make up between 1% and 5% of their total sales. A total of 28% of these retailers, the largest single group, promote chargers twice a year.

Independent Auto Parts Stores

Approximately 56% of these independent auto parts stores carry battery chargers. More than one third of independents, 37%, said that chargers account for 1% to 5% of their total sales. Unlike chains, 36% of independents don't promote chargers.

Non-Automotive Retailers

At 81%, non-automotive stores, including department and discount stores, are the retailers most likely to stock battery chargers. Almost half of these retailers, 48%, said that chargers make up between 1% and 5% of their total sales.

The number of times that these retailers promote chargers tends to vary. Just over one fifth, 21%, do not promote chargers at all, while another 21% promote them twice a year, a figure very close to the largest group of automotive chain stores that promote battery chargers.

Chains With Service Bays

At 48%, chains and stores with service bays are the retailer outlets least likely to stock battery chargers. A total of 41% of these chains said that chargers account for 1% to 5% of their total sales. The same number said that they do not promote chargers. ■

WHO STOCKS BATTERY CHARGERS

We asked different types of stores if they stocked battery chargers.

Auto Parts Chain	67%
Independent Parts Store	56
Jobber/Retailers	81
Service Providers	48

THE FUTURE BATTERY CHARGER MARKET

We asked how those involved in aftermarket product sales thought the battery charger market would change.

No Change	28%
1-5% Growth	28
6-10% Growth	12
Over 20% Growth	3
16-20% Growth	2

BATTERY CHARGER BRANDS

We asked how many brands of battery chargers the average store stocked.

Auto Parts Chain	1
Independent Parts Store	1
Jobber/Retailers	1
Service Providers	1

AVERAGE GROSS MARGINS OF BATTERY CHARGERS

We asked different types of stores what their average gross margins of battery chargers were.

Auto Parts Chain	39%
Independent Parts Store	28
Jobber/Retailers	29
Service Providers	27

AVERAGE NUMBER OF BATTERY CHARGER SKUs

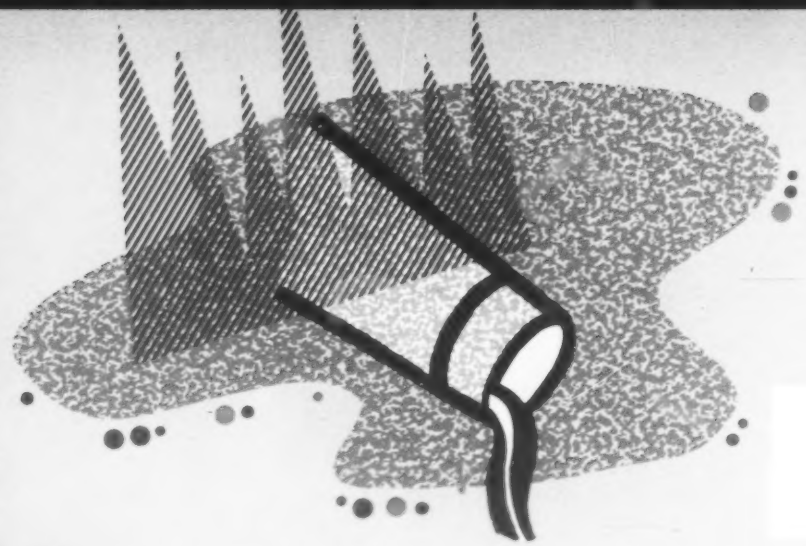
We asked how many SKUs of battery chargers were stocked in an average store.

Auto Parts Chain	6
Independent Parts Store	8
Jobber/Retailers	8
Service Providers	6

BATTERY CHARGER DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to battery chargers.

Auto Parts Chain	8
Independent Parts Store	9
Jobber/Retailers	7
Service Providers	11



PARTS

ENGINE TREATMENT CHEMICALS

Different from additives, engine treatment chemicals are chemicals added to motor oil and designed specifically to prevent engine wear. A total of 70% of the retailers we surveyed carry engine treatment chemicals. Nearly half of these retailers said that engine treatment chemicals account for between 1% and 5% of their total sales. One third of these retailers said that they do not promote engine treatment chemicals at all.

Automotive Parts Chain Stores

Almost three quarters of the automotive parts chains that we surveyed carry engine treatment chemicals. More than half of these chains, 55%, said that these treatment chemicals make up 1% to 5% of their total sales. Unlike other retailers, 15% (the largest single group) of these chains said that they promote engine treatment chemicals 12 or more times per year.

Independent Auto Parts Stores

Two-thirds of independent auto parts stores carry engine treatment chemicals. Approximately 40% of independents said that these treatment chemicals account for between 1% and 5% of their total sales. A total of 41% said that they never promote engine treatment chemicals.

Non-Automotive Retailers

More than three quarters of non-automotive retailers, 78%, carry engine treatment chemicals. Just over half of these retailers, 52%, said that these treatment chemicals make up 1% to 5% of their total sales. Almost one third of these retailers, 30%, said that they do not promote engine treatment chemicals.

Chains With Service Bays

At 57%, chains with service bays are the retailers least likely to carry engine treatment chemicals. Similar to independents, 40% of these chains said that engine treatment chemicals account for between 1% and 5% of their total sales. Also similar to independents is the fact that 37% of these chains do not promote engine treatment chemicals. ■

WHO STOCKS ENGINE TREATMENT CHEMICALS

We asked different types of stores if they stocked engine treatment chemicals.

Auto Parts Chain	74%
Independent Parts Store	66
Jobber/Retailers	78
Service Providers	57

THE FUTURE ENGINE TREATMENT CHEMICAL MARKET

We asked how those involved in aftermarket product sales thought the engine treatment chemical market would change.

1-5% Growth	31%
No Change	18
6-10% Growth	17
Over 20% Growth	4
11-15% Growth	4

ENGINE TREATMENT CHEMICAL BRANDS

We asked how many brands of engine treatment chemicals the average store stocked.

Auto Parts Chain	5
Independent Parts Store	3
Jobber/Retailers	3
Service Providers	4

AVERAGE GROSS MARGINS OF ENGINE TREATMENT CHEMICALS

We asked different types of stores what their average gross margins of engine treatment chemicals were.

Auto Parts Chain	41%
Independent Parts Store	32
Jobber/Retailers	32
Service Providers	30

AVERAGE NUMBER OF ENGINE TREATMENT CHEMICAL SKUs

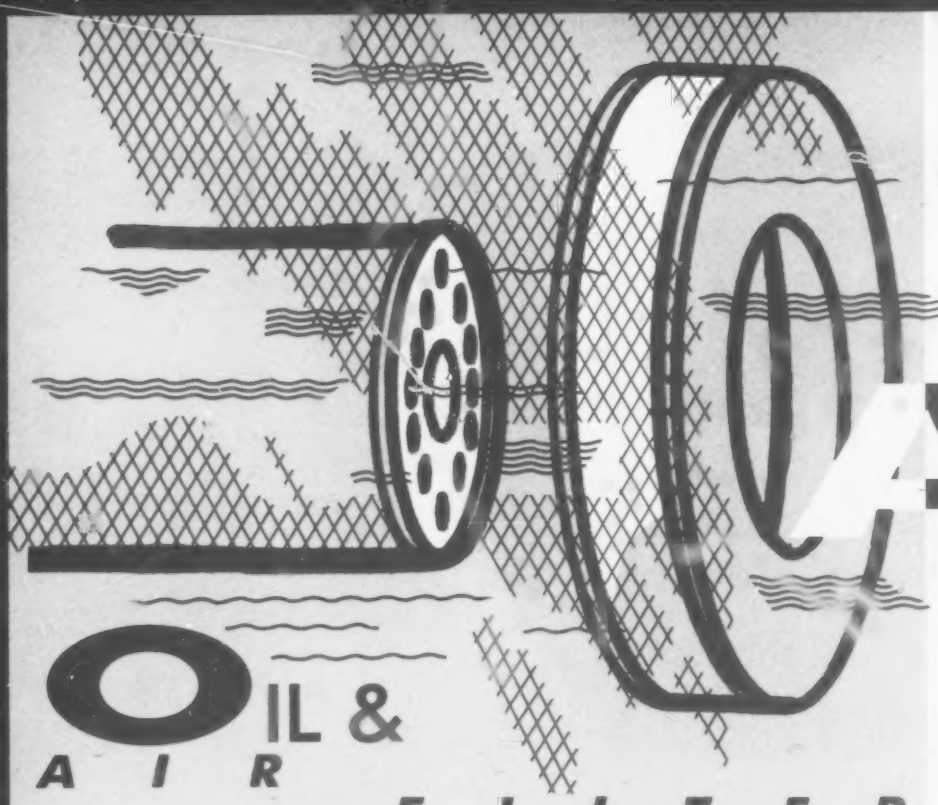
We asked how many SKUs of engine treatment chemicals were stocked in an average store.

Auto Parts Chain	14
Independent Parts Store	20
Jobber/Retailers	23
Service Providers	14

ENGINE TREATMENT CHEMICAL DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to engine treatment chemicals.

Auto Parts Chain	7
Independent Parts Store	6
Jobber/Retailers	5
Service Providers	8



OIL & AIR FILTER PARTS

At 89%, air and oil filters are the second most commonly stocked automotive product among the retailers we surveyed. Just over one fifth of these retailers, 22%, said that filters account for between 6% and 10% of their total sales. Another 20% said that filters make up between 1% and 5% of their total sales. Almost one fifth, 19%, said that they do not promote filters.

Automotive Parts Chain Stores

At 96%, automotive parts chains are the retailers most likely to carry filters. More than a third of these retailers, 35%, said that filters account for between 1% and 5% of their total sales. Another 15% said that filters make up 6% to 10% of their total sales. More than one quarter of these retailers said that they promote filters 12 or more times per year.

Independent Auto Parts Stores

A total of 87% of independent auto parts stores carry filters. Nearly one quarter of these independents, 23%, said that filters make up between 6% and 10% of their total sales. At 24%, nearly the same number of independents don't promote filters.

Non-Automotive Chains

Similar to automotive parts chains, 95% of non-automotive retailers stock filters. Nearly one quarter, 23%, said that filters make up between 6% and 10% of their total sales. Approximately 13% said that filters account for 1% to 5% of their total sales, while another 13% said that filters make up between 11% and 15% of their total sales. Just over one fifth, 21%, said that they promote filters twice a year.

Chains With Service Bays

At 80%, chains with service bays are the retailers least likely to stock filters. Unlike other retailers, 24% of these chains said that filters account for 1% to 5% of their total sales. Another 14% said that filters make up between 6% and 10% of their total sales. Almost one fifth, 19%, said that they don't promote filters, while another 17% said that they promote filters 12 or more times per year. ■

OIL/AIR FILTER DISPLAY SPACE

We asked how many linear shelving feet each average store devoted to oil and air filters.

Auto Parts Chain	77
Independent Parts Store	80
Jobber/Retailers	66
Service Providers	67

AVERAGE NUMBER OF OIL/AIR FILTERS SKUs

We asked how many SKUs of oil and air filters were stocked in an average store.

Auto Parts Chain	202
Independent Parts Store	274
Jobber/Retailers	600
Service Providers	203

AVERAGE GROSS MARGINS OF OIL/AIR FILTERS

We asked different types of stores what their average gross margins of oil and air filters were.

Auto Parts Chain	41%
Independent Parts Store	32
Jobber/Retailers	33
Service Providers	34

OIL/AIR FILTER BRANDS

We asked how many brands of oil and air filters the average store stocked.

Auto Parts Chain	3
Independent Parts Store	2
Jobber/Retailers	2
Service Providers	2

THE FUTURE OIL/AIR FILTER MARKET

We asked how those involved in aftermarket product sales thought the oil and air filter market would change.

1-5% Growth	28%
6-10% Growth	28
16-20% Growth	7
11-15% Growth	6
No Change	6

WHO STOCKS OIL/AIR FILTERS

We asked different types of stores if they stocked oil and air filters.

Auto Parts Chain	96%
Independent Parts Store	87
Jobber/Retailers	95
Service Providers	80

Fall/Winter Guide:

Are Consumers Ready To Buy?

Retailers are cautiously optimistic about the upcoming sales season. But they're not taking chances.

by **Wendy Kaplan Ampolsk,** Contributing Editor

On the whole, retailers across the country are expecting a much better fall/winter season in 1991 than they had last year—good news for the aftermarket.

The cautious optimism reflected by a majority of Reader Panelists surveyed by *Automotive Marketing*—88% of those answering the survey expected a better selling season this year—mirrors the economic indicators for the business community as a whole.

Economy Is Improving

According to *The Wall Street Journal*, a recent Livingston Survey, published by the Federal Reserve Bank of Philadelphia, says the recession is over and a "modest" economic recovery is in progress.

According to the survey, which questioned 70 economists, the recovery began sometime this spring, between April and June. But that does not mean that the business picture is entirely rosy. "The consensus is that real gross national product, a measure of the output of the nation's goods and services, will grow at a meager 2.2% annual rate through the middle of 1992, compared with an average real growth of 6% in the first year of the past eight expansions," said *The Wall Street Journal*. This suggests that unemployment will be slow to improve. But economists are predicting prices will rise only 3.4% in 1991, less than the considerable 6% rise in 1990.

The tone and pace of the recovery will be controlled by consumers, said the survey, which expects retail sales to improve in the second half of this year.

Who Prepares Their Vehicles?

If consumers control the recovery, then they will also control the success of the upcoming fall/winter selling season. Retailers are well aware of that, but they are also realistic about just how much consumers can be expected to buy this season.

"I don't believe the recession's over," said Art Badgley of Art's Precision Automotive in southern Illinois. "I look for many people on the public dole this winter."

"I would say retail should expect a rough next 18 months," predicts a Florida respondent who asked not to be named.

A respondent in Tulsa, OK, said, "The customer trend has changed. Customers now fix only what is broken, regardless of education on preventive maintenance. This is possibly due to the poor economy. We are in a flat economy here, but we are working on store appearance and adjusting marketing planning and strategies to hopefully produce an increase in sales."

As a retailer in Winston Salem, NC, explained: "A change in the economy would help most. DIYers are fixing only what breaks at this time. As a result, we are hoping to at least match our sales for last year. This is the first time we have expected a no-growth year. We have always had a 5% or more sales growth over the last 14 years."

We asked retailers what percentage of their customers planned ahead by preparing their vehicles for winter. Despite the fact that consumers are keeping their cars longer, and therefore could be expected to pay extra attention to maintenance, only about half of them plan ahead by preparing for winter. Thirty-eight percent of the respondents to our survey said that from 50-74% of their customers plan ahead for winter. The good news is that number is up eight percentage points from last year, and six percentage points from 1985, when the economy was in better shape. The bad news is that only 4% of our respondents expected over 75% of their customers to prepare for winter.

A retailer in Arnold, CA, who expects only 20% of his customers to prepare their cars for winter, attributes this lack of preparation to human nature rather than the economy. "DIYers never do seem to anticipate cold weather problems," he said. He is countering this problem by offering POP winterizing tips and by carefully following long-range weather forecasts in order to communicate effectively with his customers.

How DIYers Prepare

Those who do prepare for winter, however, are expected to boost fall/winter sales. Seventy-one percent of our Reader Panel respondents said that their customers check and add antifreeze/coolant; 53% said their DIY customers buy new wipers and windshield washer fluid. Consumers can be expected to stock up on deicers, dry gas and the like, and 31% of the survey respondents said they expect their DIY customers to flush their radiators and change the antifreeze/coolant, and check their batteries and ignition. Tune-ups were low on the list, at 22%, as were safety accessories, at 12%. And yet safety accessories are good add-on items.

"We display fire extinguishers, flares, triangles and so forth," said a retailer at Foster Auto Supply, Denver, CO. Others mention safety items in their winter car care flyers, or use them in POP displays.

Hot Sellers for 1991

Whether or not DIYers are adequately prepared this year, one thing is certain, according to the *Automotive Marketing* Reader Panel Survey. Batteries, once again, will be the top sellers. Sixty-five percent of our reader respondents rated batteries as a product line that could expect hot sales this fall/winter season.

One reason for the continued strong performance of batteries is the increasing age of the cars still on the road. That's not a factor that will change significantly in the next few years. Consumers are still holding on to their cars, and battery replacement is a task most DIYers can handle. Those who can't still shop around for the best battery prices, even if they have to pay to have that battery installed professionally.

The strongest influence on battery sales, of course, is the weather. The severity of the weather in many areas of the country during the last few years has contributed significantly to battery sales. A retailer in Florida, for instance, says his area is still trying to recover from a severe freeze. He is worried about the overall effect on his sales picture, as his customers suffered economic setbacks from the freeze—but he expects batteries to be strong sellers anyway. Other retailers around the country are predicting similar sales increases.

Batteries and chargers need to be strongly promoted, however, if these sales are to be realized. Retailers suggest using window signs, flyers, direct mail and radio ads. A majority of our Reader Panel respondents also suggest seasonal endcap displays. And at least one retailer asks

that battery manufacturers increase their own promotions. "Whatever is being heavily advertised by the manufacturers is what sells," he said.

After batteries, Reader Panel respondents expect chemicals and antifreeze/coolant to be very hot sellers this season. Forty-seven percent of the Reader Panel respondents listed chemicals as hot sellers. And, in a significant change from last year, 45% expected antifreeze/coolant to sell very well in 1991-92.

This is not an insignificant prediction. At the tail end of the '80s and on into 1990, retailers saw their heretofore predictable antifreeze/coolant sales dwindle alarmingly because of rising prices. When the cost of the main antifreeze ingredient, ethelene glycol, skyrocketed, retail prices reflected the price increase. Consumers responded by opting not to change their antifreeze/coolant, and sales diminished. This year, the picture is better. "I think antifreeze/coolant will be hot, with prices down this year," said a retailer in Wisconsin. "Most people didn't change their antifreeze the last two years, so they really have to now."

This point of view is echoed by Frank McKulka, director of automotive products business at BASF Corp., Parsippany, NJ, makers of Zerex® antifreeze/coolant products. "Retailers are well-founded in their optimism," he said. "The only difference this year is that there will be less consumer rebates. As far as 1991 sales, we anticipate high volume, high demand and good consume. response."

According to Rick Bowen, vice president/marketing at First Brands Corp., Danbury, CT, makers of Prestone antifreeze/coolant products, "Conditions are appearing more favorable for a good antifreeze season, although it's difficult to predict the future. Over the past 10-12 months, ethelene glycol prices have been very volatile. Relatively speaking, they are more stable at this time. That, combined with the good economic news, is more conducive to good sales."

"Last year, there was light demand," said John F. Noel, marketing director for specialty products at Quaker State Oil Refining Corp., Oil City, PA. "The Gulf War brought the speculative nature of ethelene glycol to light. The very announcement of the War brought instant massive orders of antifreeze/coolant. Then orders died down. This year has been slow so far because the volume ordered didn't sell to the consumer. The pipeline is comfortably supplied at this time—it will respond to the pent-up demand by consumers who realize they haven't changed their anti-freeze in some time. This will be a good, strong actual-use year. Not a record year, but a good year."

And what of those consumers who postponed changing their antifreeze/coolant for two years and postpone it again this year? Retailers can then expect more sales of replacement cooling system parts. Any way you look at it, say retailers, the picture is positive.

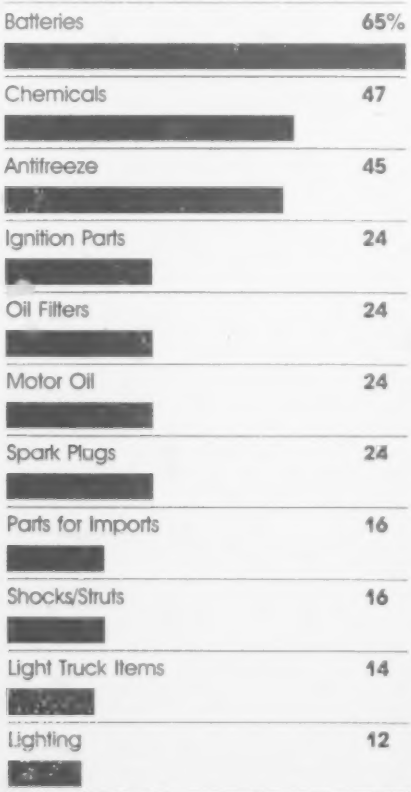
Other products expected to sell well this year are ignition parts, oil filters, motor oil, spark plugs and brake parts.

The Accessories Picture

Don't, however, look for strong sales of discretionary accessories, say retailers.

WHAT'S GOING TO SELL?

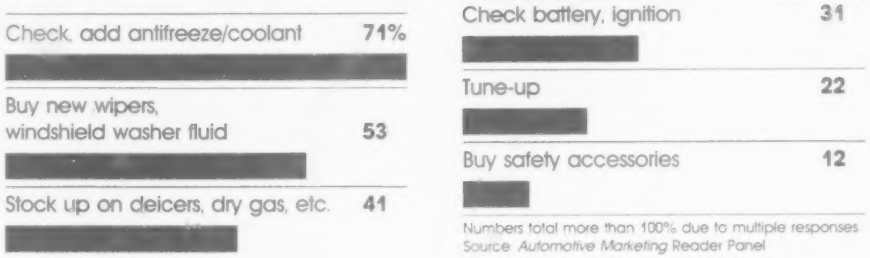
Retailers were asked to name the three areas in which they expect growth this fall/winter selling season. Batteries, not surprisingly, were listed most often by retailer respondents.



Percentages total over 100% due to multiple responses.
Source: *Automotive Marketing* Reader Panel

HOW DO DIYERS PREPARE?

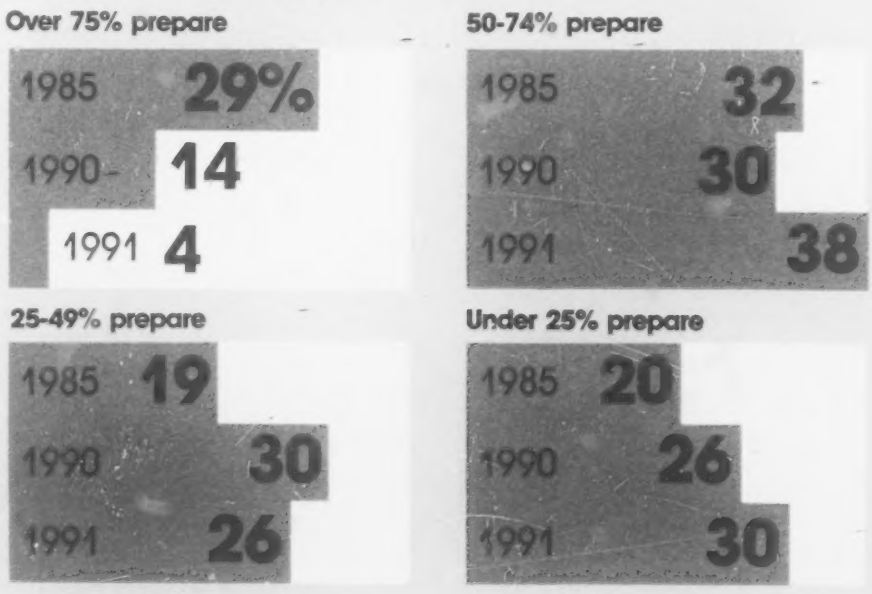
We asked our readers what DIYers are most likely to do in preparing their vehicles for winter.


Check, add antifreeze/coolant 71%
Buy new wipers, windshield washer fluid 53
Stock up on deicers, dry gas, etc. 41
Flush radiator, change antifreeze/coolant 31
Check battery, ignition 31
Tune-up 22
Buy safety accessories 12

Numbers total more than 100% due to multiple responses
Source: *Automotive Marketing* Reader Panel

HOW MANY DIYERS PREPARE THEIR VEHICLES

We asked our readers what percentage of their customers planned ahead by winterizing their vehicles. Our readers feel consumers will be about as prepared as they've always been—even though they're keeping their vehicles longer now than before.



Source: *Automotive Marketing* Reader Panel

WHEN RETAILERS BUY

We asked our readers by which month they'd finished making their fall/winter purchases. As manufacturers know, retailers have been postponing buying decisions in favor of carrying a lean inventory. Over a third are postponing their purchases until October this year as opposed to 15% last year.

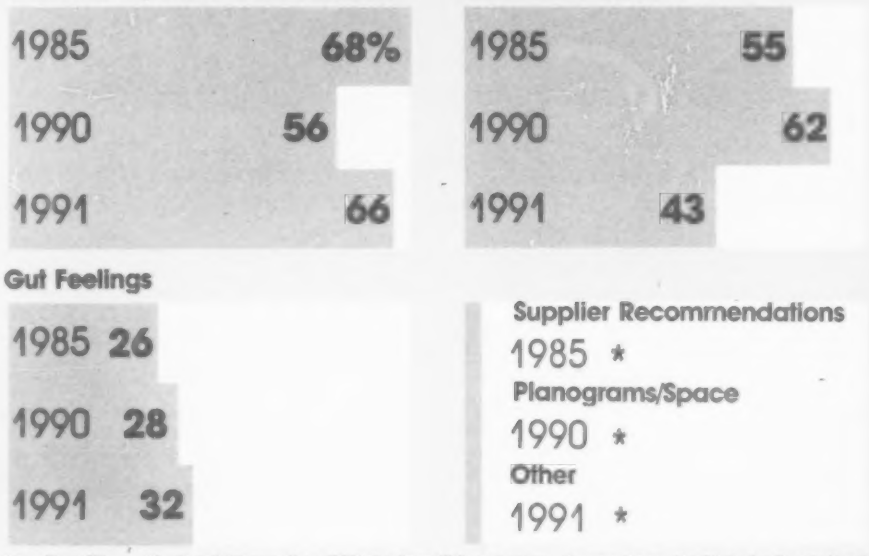
Source: *Automotive Marketing* Reader Panel

We asked Reader Panelists: "What do you expect will be the hot accessories this fall/winter?" Sixty-two percent declined to answer the question. The remaining answers were largely conservative. Rather than listing fad items or purely decorative accessories, most of the answers were practical, listing products that don't really fall into the accessories category. These included snow tires, "repair items related to poor preventive maintenance", fuel injection chemicals, tires and wheels, windshield chemicals and ice scrapers, antifreeze/coolant, engine additives and the like.

Very few respondents listed discretionary items. "Disposable income is still low, and we expect a majority of consumers will opt for holding off on buying many accessories," said J. Alexander III, president of the 31-store Parts City chain, headquartered in Atlanta. "Accessories sales fall off dramatically in fall/winter in Wisconsin," explained a Milwaukee retailer, who did say that the "hot color" accessories did very well for him this spring. "Euro-look" wipers (color models), seat beads, dash mats, bras and steering wheel covers were mentioned by some retailers. But most expect consumers to hold off on discretionary items this year until the improving economy has made a difference in their pocketbooks.

HOW RETAILERS BUY

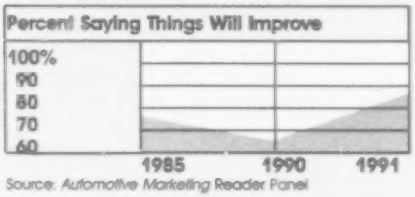
We asked retailers how they determine how much and what they will buy for the fall/winter selling season. Retailers are relying less on last year's sales and more on sales history and gut instinct than in previous years.



* Less Than 1% Numbers total more than 100% due to multiple responses Source: *Automotive Marketing* Reader Panel

WILL THINGS GET BETTER?

We asked our readers whether or not they expected a better fall/winter selling season this year than in the previous year. Our readers are much more optimistic this year, even more than they were six years ago when the economy was better.



Source: *Automotive Marketing* Reader Panel

How to Order

Perhaps the biggest change in retail operations as the auto aftermarket tackles the '90s is the change in predictable ordering patterns. In 1985, a time of relative stability in the economy, retailers placed their fall/winter orders in a predictable fashion. That year, 68% of our Reader Panel respondents ordered on the basis of several seasons' sales history. Fifty-five percent ordered on the basis of the previous year's sales, and 26% relied on gut instinct. Those numbers have changed somewhat.

This year, 66% of our survey respondents plan to order based on several seasons worth of sales history. That's up from the 56% who planned to order that way last year, and slightly down from the 68% in 1985. Less than half of this year's survey respondents, however, plan on ordering solely on last year's sales. This is a positive trend. Last year, 62% were planning on using the previous year's sales history, because sales were so bad. This year, things are expected to improve, and only 43% of respondents plan on using 1990 alone as a sales criterion.

Gut feelings—an instinct for what will sell—are strong this year. Thirty-two percent of the survey respondents said they will rely on their instincts when placing orders, as opposed to 28% last year, and 26% in 1985.

Cutting Down On Inventory

When it comes to inventory, retailers are opting to run lean and mean, for fear of being saddled with leftover stock if sales are slow. This change is reflected in the buying patterns used by our survey respondents. A whopping 35% of our respondents are postponing their ordering until October this year, which is well into the fall selling season. As in 1990, 48% are ordering in September, also late, as September is the official start of the back-to-work, back-to-school fall season.

A scant 17% are ordering their fall/winter products this summer, down from 38% last year. This is definitely lean and mean—the question is, if consumer demand is up, will retailers who have postponed their buying be able to meet that demand in time? Or will they be in a position where they cannot deliver the goods to a consumer who wants to make a purchase? The answer remains to be seen. "We are close to our market, and try to buy what our consumers want and need," said a Tulsa, OK, retailer. "We do not want to over-buy. Our main objective is to have what the consumers need and to make a profit." ■